B&L | Conference | P&A
A.P. STATE WAREHOUSING CORPORATION
05 SEP 2022
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GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Agricultural Marketing Department – Andhra Pradesh State Warehousing Corporation - Guidelines for effective utilization of available storage space - Orders - Issued.

AGRICULTURE AND COOPERATION (MKTG-I) DEPARTMENT

G.O.Rt.No.565 Dated:01.09.2022.

Read:

From the MD, APSWC., Vijayawada, Lr.No.SWC/B9/2333/SM/2022, dt:27.07.2022.

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ORDER:

In the circumstances reported by the Managing Director, Andhra Pradesh State Warehousing Corporation, Vijayawada in the reference read above, Government, after careful examination of the matter, hereby issue the guidelines for effective utilization of available storage space and to protect the interest of Andhra Pradesh State Warehousing Corporation (APSWC) as shown in the annexure.

2. The Managing Director, Andhra Pradesh State Warehousing Corporation, Vijayawada shall take further necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

CHIRANJIV CHOUDHARY
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, A.P. State Warehousing Corporation, Vijayawada.

Copy to:
The MD, A.P.Markfed., Vijayawada,
The State Head, Nafed, Vijayawada,
The VC&MD, APSCSCL, Vijayawada,
P.S. to Hon'ble Minister (Agrl.Mktg.,Coop.&FP),
P.S. to Prl. Secretary to Government (AM &C), A&C Dept,
SF/SC.

// FORWARDED::BY ORDER //

SECTION OFFICER

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ANNEXURE

GUIDELINES FOR EFFECTIVE UTILIZATION OF STORAGE SPACE:

1. Back Ground:

APSWC has been established in 1958 under the warehousing corporations Act 1962, since then it has been actively involved in providing scientific storage facilities especially to Government Organizations like FCI, APSCSCL, APMARKFED, NAFED, AP OILFED etc. During the course of time, the need for storage space increased abnormally, however, APSWC fulfilled it by being a nodal agency for implementation of various schemes like Gramin Bhandaran Yojana, Seven Year Guarantee Scheme, Private Entrepreneur Godowns Scheme wherein vast storage capacity was created and operated in PPP mode. APSWC has played a very responsible role all this while. The storage charges paid by the Depositors were shared in the ratio of 64:36 initially, which later got modified to 75:25 and finally 80:20 in favour of Godown owner and APSWC respectively.

In order to effectively utilize the storage space and also to protect the interest of APSWC, Government has issued orders in G.O.Rt.No.673, dated.01.11.2017 of Agriculture and Cooperation (MKTG.-I) department duly appointing APSWC as "NODAL AGENCY" for hiring the private Investor Godowns in the State. The Ministry of Consumer Affairs, Department of Food and Public Distribution vide its letter no.9-2/2017–S.G.1 dated 24.08.2017 has decided that priority should be given by state Government and their procurement agencies to utilize the storage space of FCI, CWS, SWC to ensure a minimum of 80% utilization of capacity offered by them. The Government of India imposed a condition that a certificate in this regard are required to be furnished by the state government for reimbursement of storage charges.

Situation in other States: In Telangana, entire requirement of TS SCSCL is being met through TSSWC. Similar situation exists in almost every other state.

However, there are large instances of violation of the above provisions of APSWC. The matter has been discussed in the Board of Director's meetings of APSWC and APSCSCL. APSCSCL during its 215th Board meeting date 28.03.2022. The Board has taken note of the same and consented "**to conduct the business as directed by the Government of Andhra Pradesh and Government of India through Andhra Pradesh State Warehousing Corporation duly following CVC guidelines.**" On the resolution made by the Board of APSWC, the matter was also brought to the notice of the Government and a meeting was conducted in the chamber of Principal Secretary to the Government, Marketing & Cooperation Department on 26.04.2022 and the same was attended by the representatives of the following organizations:

1. Sri.Y.Madhusudhana Reddy, IFS 2. Sri.M.Girija Shankar, IAS	Pri.Secretary, Marketing & Cooperation, Commissioner & Ex.Officio Secretary, AP State Civil Supplies Department,
3. Sri.G.Veerapandian, IAS	VC&MD,APSCSCL
4. Sri.S.Srikantanadha Reddy, IFS	VC&MD, APSWC

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5. Smt.V.Sridevi	DGM(R), FCI
6. Sri.Ch.Gangadhar	Manager, FCI
7. Sri M.Suman	Superintendent, CWC
8. Ms.Y.Tirupatamma	M.T(G), CWC
9. Sri V.Vinay Kumar	State Head AP&TS, NAFED

After necessary deliberation among others, it was decided to Draft guidelines for effective utilization of storage capacity including but not limited to:

a. Constitution of a State Level Committee with representation from the stakeholders.
b. Receiving demand from Depositors.
c. Scrutiny of the demand, vis-à-vis the storage space available with PSU's and other economic factors.
d. Examination of available options.
e. Recommendation

Hence guidelines are issued as follows:

II. Guidelines:

1. Constitution of a State Level Committee with the following is proposed:

1.1 GM(B&L), APSWC – Convenor
1.2 Representatives of CWC
1.3 AGM(Storage and H&T), FCI
1.4 Manager, Marketing, APSCSCL
1.5 State Head, AP, NAFED
1.6 General Manager/Manager (procurement) AP MARKFED

2. Constitution of a District Level Committee with the following is proposed:

2.1 JC& EOED – Chairman
2.2 RM, APSWC of the concerned jurisdiction – Convenor
2.3 Divisional Manager, FCI
2.4 District Manager, APSCSCL
2.5 District Manager, AP MARKFED
2.6 Local Representative of CWC

3. Raising demand for storage space:

3.1 The depositors i.e., APSCSCL, FCI, MARKFED, NAFED will work out tentative requirement of storage space well in advance under intimation to APSWC periodically.
3.2 APSWC will work out the storage space duly taking into consideration its own facilities along with the facilities of FCI, CWC, AP MARKFED, etc. In case of necessity, APSWC may examine the utilization of warehousing facilities in the Private Sector. The options available with APSWC will be intimated to the depositor.

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4. Compliance to the WDRA guidelines:

Only warehouses registered with WDRA shall be eligible for storage.

5. 80% occupancy of the storage space of Government Agencies like APSWC, APSCSCL, FCI, MARKFED shall be ensured before opting for private godowns.

6. It shall be ensured that H&T contractors are appointed through e-tendering process duly following CVC guidelines.

7. Storage Charges:

7.1 The storage charges payable per bag shall be declared in advance and the same shall be uniform for all the warehouses irrespective of ownership.

7.2 The storage charges per bag, for the private warehouses proposed or engaged if any by APSWC shall be paid on par with the public sector warehouses. For example, if Rs.5/- per bag is the storage charge fixed and payble to APSWC, then the same rate shall be applicable to a private warehouse(s) engaged through APSWC. The storage charges paid by depositor to APSWC will be shared between APSWC and the private warehouse owner in the ratio as per their internal arrangement.

7.3 In no case, private warehouse entertained for business on the grounds that the same is available at lesser storage charges. For example, in a case where the sharing ratio is 80:20 between a private warehouse owner and APSWC respectively, and the storage charge paid by the depositor is Rs.5/- per bag, then private warehouse owner gets Rs.4/- per bag. Therefore, if any case the depositor should not pay more that Rs.4/- per bag to a private warehouse owner under any circumstances, as this would jeopardise the system and is also a loss to the Government since the same party would have been receiving/ready to receive Rs.4/- per bag when operated through APSWC.

7.4 If the depositor insists for storage charges less than prescribed by the Government of India it shall be decided through competitive bidding process and shall not be done on adhoc basis.

7.5 Procurement agencies like AP MARKFED, NAFED, AP OILFED shall be at liberty to utilize their own warehouses for the bonafide purpose of storing their produce. However, if excess storage is available with them they can offer it to other depositors through APSWC. Operating their warehouses through other private agencies for the purpose of fulfilling the needs of APSCSCL and other depositors shall be avoided.

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7.6 The storage options provided by APSWC will be examined vis-à-vis the overall economics which may include distance, storage charges, H&T charges, multiple handlings, for eg.Mill to Warehouse, warehouse to MLS points / Buffer Godowns / Distribution points etc., Storage losses/Transit losses should also be taken into consideration by the concerned depositor.

7.7 In case, even after fulfilling the condition at point No.3.2, if there is no Government storage space available in the vicinity of the opted locality, engaging private warehouses can be resorted to subject to the conditions that the same is through APSWC and that a H&T contractor is made available through e-tendering process duly following CVC guidelines.

7.8 Assignment of H&T operations shall not be done on nomination basis.

8. Insurance should be as per the WDRA guidelines and APSWC shall ensure that Insurance coverage is provided for the warehouse (s) operated by and through it.

9. Reservation Period:

In case of confirmed reservation for period like one year it should be APSWC warehouses and Government warehouses that shall be given priority where as private warehouse(s) engaged through APSWC shall be hired purely on need basis.

10. Liquidation of stock:

Whenever liquidation of stocks is to be done, preference should be given to private warehouses as this will ensure better utilization of Government storage space.

11. Dehiring:

11.1 In case of dehiring, the warehouses should not be vacated compartment wise but should be vacated godown wise and warehouse wise. For example, if a warehouse has (2) godowns with (3) compartments each, then the depositor shall dehire godown wise i.e., all the (3) compartments of a particular godown shall be vacated and if further need ceases then the remaining (2) godowns can also be dehired. It should not be that small quantities of stocks are left in all the compartments and storage charges are limited to the small quantities.

11.2 Dehiring will be considered only when the entire godown is vacated. If any stocks are left then the storage charges should be paid for the whole godown.

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III. Procedure:

1) The District Level Committee shall submit proposals for hiring of warehouses duly ensuring that the above guidelines are compiled.
2) The proposals of the District Level Committee would be scrutinised and approved by the State Level Committee.
3) In case of any deviations to the above guidelines, proposed by the District Level Committee, then the State Level Committee may take appropriate action case by case with the approval of the Principal Secretary, Marketing and Cooperation Department.

CHIRANJIV CHOUDHARY
PRINCIPAL SECRETARY TO GOVERNMENT